Amendment of MODAVAT Rules

866. SHRI GHUFRAN AZAM: Will the Minister of FINANCE be pleased to state:

(a) whether the PHD Chamber of Commerce and Industry has urged Government to make suitable amendments in MODVAT rules, procedures and their implementation with a view to simplify and streamline the laws;

(b) if so, what is the reaction of Government thereto;

(c) whether Government have since examined the views of the PHDCCI; and

(d) if so, what are the details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M. V. CHANDRASHEKHAR MURTHY): (a) The PHD Chamber of Commerce and Industry in their pre-budget Memorandum submitted to the Ministry of Finance had made certain suggestion regarding MODVAT Scheme.

(b) to (d) These suggestions made by PHD Chamber of Commerce and Industry as well as suggestions made by other trade associations have been duly considered by the Government while formulating the Budget proposals for the year 1993-94. The decisions of the Government is reflected in the proposals placed before the Parliament through Finance Bill, 1993.

Amending of Income Tax Act

867. SHRI KRISHNA KUMAR BIRLA: Will the Minister of FINANCE be pleased to state:

(a) whether Government propose to suitably amend the Income Tax Act with a view to minimise the growing industrial sickness in the country by giving timely financial assistance to a company (assessee) when it incure losses;

(b) if so, what decisions have been taken by Government in this regard; and

(c) if the answer to part (a) above be in the negative whether Government would consider the question?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M. V. CHANDRASHEKHAR) MURTHY): (a) to (c) Section 72A of the Income-tax Act, 1961, already provides for tax relief in cases of amalgamations between sick and healthy companies, within the conditions spelt out in the provisions of this section. No further amendment under the Income-tax Act in this regard is proposed.

Guidelines on financial structure of P.S.Us.

868. PROF. SAURIN BHATTACHARYA: Will the Minister of FINANCE be pleased to state:

(a) what are the details of guidelines issued during 1992-93 to different Ministries/Departments of Government of India in connection with regulating the financial structures of the Public Sector Undertakings;

(b) whether it is a fact that sudden prunning of financial assistance to Public Sectors had adversely affected the working of various undertakings;

(c) whether Government are reviewing the situation afresh to allow the Undertakings to operate profitably; and

(d) if so, the details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE AND MINISTER OF STATE IN THE MINISTRY OF PARLIAMENTARY AFFAIRS (DR. ABAR AHMED): (a) to (d) The information is being collected and will be laid on the Table of the House to the extent available and permissible under the rules.